

- Pre-trial motions and orders listed on pages 2-3 of IDS filed July 24, 2001<sup>1</sup>
- Two page PTO-1449 filed September 7, 2001
- Three page PTO-1449 filed September 7, 2001

Applicants respectfully request that the Examiner consider, and subsequently initial, the references noted on the above-listed forms, copies of which are included with this Response for the Examiner's convenience.

**Requirement for Information Under 37 C.F.R. § 105 Satisfied**

Applicants respectfully submit that information previously disclosed to the Patent Office satisfies the Examiner's requirement for information under 37 C.F.R. § 105. To the extent that each of the four requests listed by the Examiner are not satisfied by the 37 C.F.R. § 1.132 declarations of inventors Dwight Merriman and Kevin O'Connor filed on April 4, 2001. Applicants direct the Examiner's attention to the July 24, 2001 filing, which includes the pre-trial memoranda and order, proposed findings of fact, referenced exhibits, deposition testimony and trial declarations.

**Rejection Based on Defective Oath/Declaration Overcome**

The Examiner maintained the rejection of claims 1-50 under the original declaration, and rejected claims 51-57, as being based upon a defective reissue declaration under 35 U.S.C. 251 and 37 C.F.R. 1.175. In an effort to expedite allowance, Applicants submit a new declaration pursuant to 37 C.F.R. § 1.175 to overcome the rejection of claims 1-57 based upon a defective reissue declaration.

In response to paragraph 5 of the 10/24/2001 Office Action, Applicants note that there is no requirement under 37 C.F.R. § 1.175 to specify how changes to any claims (whether amended

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<sup>1</sup> The Examiner has initiated the remainder of litigation documents listed on this IDS.

with or after the original declaration) correct the errors in the original patent. *See M.P.E.P. § 1414(II) ("[t]he corresponding corrective action which has been taken to correct the original patent need not be identified in the oath/declaration").*

**Double-Patenting Rejection Over Copending Patent Applications Deferred**

The Examiner provisionally rejected claims 51-57, in addition to maintaining the provisional rejection of claims 1-4, 7-10, 20, 32-39 and 45-47, under the judicially created doctrine of obviousness-type double patenting as being unpatentable over assorted claims of copending Application No. 09/094,949 and copending Application No. 09/362,008.

Applicants respectfully request that this rejection be held in abeyance until one of the applications are allowed or the rejection becomes moot via further prosecution of the applications.

**New Declaration Under 37 C.F.R. § 1.131 Submitted**

The Examiner considered, but deemed ineffective, the declaration under 37 C.F.R. § 1.131 previously filed in the original prosecution of this application and resubmitted in the present reissue application on July 24, 2001.

In order to expedite allowance, Applicants withdraw the original 37 C.F.R. § 1.131 declaration, and submit a new 37 C.F.R. § 1.131 declaration which establishes that the invention as defined by the claims was completed by an actual reduction to practice prior to May 1996. Applicants note that the establishment of conception and due diligence is not required for inventors swearing behind a date established by an actual reduction to practice. 37 C.F.R. § 1.131(b).

**Kohda, Wexler, Angles Are Removed as Prior Art**

The Examiner maintained the rejection of various permutations of claims under 35 U.S.C. 102(a), 102 (e) and 103(a) with respect to Kohda (May 1996 article entitled "Ubiquitous advertising on the WWW: Merging advertisement on the browser"), Wexler (U.S. Patent No. 5,960,409, filed 10/11/96) and Angles (U.S. Patent No. 5,933,811, filed 8/20/96).

As stated above, Applicants submit a new 37 C.F.R. § 1.131 declaration which establishes that the invention as defined by the claims was completed by an actual reduction to practice prior to May 1996, the publication date of Kohda, which is the earliest of the three references. Thus, Applicants respectfully submit that these references have been removed as prior art.

**The Claims Are Not Anticipated by Reilly**

The Examiner rejected claims 1, 3, 7, 9, 13, 16, 20, 23, 25, 32, 35-36, 42, 45 and 47 under 35 U.S.C. 102(e) as being anticipated by Reilly (U.S. Patent No. 5,740,549, filed 6/12/95). Applicants respectfully traverse this rejection, and submit that each pending claim is patentably distinguishable over Reilly.

In order for a claim to be anticipated under 35 U.S.C. § 102, a single prior art reference must disclose, either expressly or inherently, each and every element as set forth in the claim. M.P.E.P. § 2131. Anticipation does not occur in the instant application, however, because Reilly fails to disclose a user node requesting advertising content from an advertisement server node by means of a link message provided to the user node from a content provider affiliate node, as required by each rejected independent claim.

Accordingly, for at least this reason, Reilly does not anticipate rejected independent claims 1, 7, 13, 16, 23, 32, 42 and 45. Furthermore, as the each of the rejected dependent claims depend from and further limit their respective independent claims, Applicants respectfully submit that for at least the same reason as above all of the pending dependent claims are not anticipated by Reilly under 35 U.S.C. § 102.

**The Claimed Invention Was Not On Sale More Than One Year Prior To The Filing Date Of The '061 Patent**

The Examiner has rejected claims 1-57 under 35 U.S.C. § 102(b) based upon an alleged sale<sup>2</sup> of the claimed invention more than one year prior to the filing date of the application that eventually matured into the '061 patent.<sup>3</sup> Applicants respectfully traverse this rejection and submit that the claimed invention does not fall under the on-sale bar of Section 102(b).

The Supreme Court established a two-part test for determining whether an invention is subject to the on-sale bar under Section 102(b). In order for the on-sale bar to apply, (1) the invention must be the subject of a commercial offer for sale, and (2) the invention must be ready for patenting. *Pfaff v. Wells Electronics, Inc.*, 525 U.S. 55, 67, 48 U.S.P.Q.2d 1641, 1646-47 (1998). In the absence of either of these prongs, the on-sale bar does not apply.

As an initial matter, the Examiner did not present any argument or evidence that the claimed invention was ready for patenting at the time of the alleged offer for sale (or, indeed, at

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<sup>2</sup> The Examiner tracks the language of § 102(b) in reciting the rejection as based upon a “public use” or “sale” of the invention. However, as the Examiner’s arguments are based upon facts relating only to an alleged sale, and not to any public use, Applicants thus construe the rejection as based solely upon an alleged sale of the invention.

<sup>3</sup> The application that matured into the '061 patent (that is the subject of this reissue application) was filed on October 29, 1996, making October 29, 1995 (one year prior) the “critical date” for purposes herein.

any time prior to the critical date). Accordingly, the Examiner has failed to establish a *prima facie* case for application of the on-sale bar to the claimed invention. *For this reason alone*, the Examiner's on-sale rejection cannot stand and should be withdrawn.

Furthermore, the events that took place prior to the critical date do not constitute a commercial offer for sale under § 102(b). The standard for what constitutes a commercial offer for sale sufficient to trigger § 102(b) requires a firm and complete offer: "Only an offer which rises to the level of a commercial offer for sale, one by which the other party could make into a binding contract by simple acceptance (assuming consideration), constitutes an offer for sale under § 102(b)." *Group One Ltd. v. Hallmark Cards Inc.*, 254 F.3d 1041, 1048, 59 U.S.P.Q.2d 1121, 1126 (Fed. Cir. 2001) (emphasis added). In the *Group One* ruling, the Federal Circuit rejected the proposition, based upon dictum in a prior decision, that something less than a formal offer under contract law principles would suffice to trigger the on-sale bar. *Group One*, 254 F.3d at 1046-47, 59 U.S.P.Q.2d at 1125. Thus, the Court in *Group One* reversed a decision of the lower court and held that the indefinite nature of communications and the lack of specific terms (such as price and quantity) in that case did not trigger the on-sale bar. *Id.*, 254 F.3d at 1047-48, 59 U.S.P.Q.2d at 1125-26.

The argument presented by the Examiner regarding an alleged sale does not meet the standard set by the Federal Circuit for establishing a commercial offer for sale. The Examiner relies upon a single telephone call between Kevin O'Connor, one of the co-inventors, and Christopher Buckingham of Attachmate. The telephone call took place in the week prior to October 30, 1995 (*see Declaration Under 37 C.F.R. 132 of Kevin J. O'Connor*, paragraph 24). The "facts" recited by the Examiner about this telephone conversation are based upon the deposition testimony of Mr. Buckingham in 2000: During this telephone conversation, Mr. O'Connor allegedly discussed (a) the ability to target ads to people who were surfing the net, (b)

a range of products or services related to Internet advertising that he could provide, (c) software that he could provide that would utilize banner ads and target specified people, job types or accounts in exchange for \$20,000.00, and (d) the ability to provide feedback/reports on advertising; and Mr. Buckingham allegedly "agreed" to become an initial advertising sponsor for targeted advertising.

As an initial matter, Applicants note that one of the citations made by the Examiner to the Buckingham deposition (deposition page 64, line 17 - page 65, line 14) extracts information from the Attachmate Letter, not necessarily from the prior telephone conversation. This distinction is important, because to the extent that any information derives from the Attachmate Letter, such information comes after the critical date and therefore cannot form the basis of a rejection under § 102(b).

Even assuming the accuracy of the facts recited by the Examiner, however, they do not give rise to a commercial offer to sell the invention. Rather, they amount to nothing more than an indefinite and preliminary discussion of sponsorship by Attachmate of a still-developing targeted advertising system. Indeed, the single discussion lacked fundamental terms that would be required to establish a binding contract that could be accepted by Attachmate, terms such as:

- the type of advertisements to be provided (e.g., ads hard-coded into a web page, targeted ads to be selected and inserted real-time, or a combination of these ad types) was not specified;
- the number of ads (and of which type) to be placed was not specified;
- the timeframe over which the ads would be placed was not specified; and
- the pricing structure for the ads (ad rate) was not specified.

In short, the telephone discussion between Mr. O'Connor and Mr. Buckingham, did not amount to a commercial offer by Mr. O'Connor to sell the claimed invention that could have simply been accepted by Mr. Buckingham.

Furthermore, it is important to note that the discussion of overall price and/or characteristics of an advertising system as mentioned by the Examiner does not mean that a commercial offer for sale occurred. *See Linear Technology Corp. v. Micrel, Inc.*, 275 F.3d 1040, 61 U.S.P.Q.2d 1225 (Fed. Cir. 2001) (no on sale bar despite occurrence of activities such as: communications about pricing information with distributors and sales representatives, including at least one discussion with a potential customer; and publication and communication of preliminary data sheets and promotional information). *See also D&K International, Inc. v. General Binding Corp.*, 104 F. Supp.2d 958 (N.D. Ill. 2000) (meeting that included discussion of sales price but not quantity, delivery date or shipment or payment terms was not sufficient to trigger on-sale bar).

To the extent that the terms necessary for a commercial offer for sale may have eventually been provided by Mr. O'Connor, they were not provided until at least when Mr. O'Connor sent a written proposal dated October 30, 1995 to Attachmate (*see Declaration Under 37 C.F.R. 132 of Kevin J. O'Connor*, paragraph 26 and Exhibit C thereto). However, this written proposal to Attachmate (hereinafter "Attachmate Letter") came after the critical date and, therefore, cannot itself be the basis for establishing an on-sale bar under § 102(b). The Attachmate Letter clearly sets out a proposal of terms to be considered by Attachmate, rather than confirming a prior offer and acceptance.<sup>4</sup> For example, Mr. O'Connor introduced a number

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<sup>4</sup> This discussion should not be deemed an acknowledgement that the Attachmate Letter establishes terms sufficient for a commercial offer for sale. Although the letter is consistent with a planned experimental use (*see, e.g.*, reference to a "first test web site"), however, given the clear lack of a commercial offer for sale resulting from the telephone call there is no need to address the experimental use issue further.

of new details that were not discussed during the prior telephone conversation by stating "I suggest the following." *See Attachmate Letter*, page 1 (emphasis added). This is consistent with a proposal being presented for the first time. Indeed, Mr. O'Connor stated in his declaration that during the telephone call, Mr. Buckingham asked Mr. O'Connor to send a proposal, which was manifested in the Attachmate Letter. *See Declaration Under 37 C.F.R. 132 of Kevin J. O'Connor*, paragraphs 25-26.<sup>5</sup>

The proposal in the Attachmate Letter set forth a series of numbered paragraphs supplying terms for a proposed arrangement containing specifics that were not discussed during the prior telephone call, including the following:

- (1) Attachmate to make a sponsorship payment by a specific due date – December 31st, 1995;
- (2) IAN to provide a specified amount of non-targeted ads (400,000) over a period of several months, and track viewer demographics and determine the most useful user profile; and
- (3) IAN to determine in the future the most effective way to spend the balance for targeted ads, in accordance with favorable pricing to Attachmate (providing also a draft sheet having specified ad rates for targeted advertising);

The absence of specific terms such as these from the prior telephone discussion confirms that there was no commercial offer to sell the invention during that conversation. *See Group One, supra; Linear Technology, supra; and D&K International, supra.*

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<sup>5</sup> Mr. Buckingham acknowledged that it was possible that he had invited Mr. O'Connor to submit a proposal. *See Buckingham deposition*, page 72, lines 15-20.

In sum, applicants respectfully submit that the events prior to the critical date do not trigger the on-sale bar and, therefore, respectfully request that the rejection made based on the on-sale bar of § 102(b) be withdrawn.

**The Claims Are Not Anticipated by FocaLink**

The Examiner rejected claims 1-57 under 35 U.S.C. 102(b) as being anticipated by "FocaLink's public use of centralized ad serving technology" in view of LinkMarket's Business Brochure (DX 56), FocaLink's Business Brochure (DX 57), LinkMarket Business Plan (DX 89), FocaLink Press Release titled "Hyperlink Advertising Explodes on the World Wide Web" (DX 90), FocaLink Media Services, Inc. (DX 215), and the depositions of Ron Kovas and David Zinman. Applicants respectfully traverse this rejection, and submit that each pending claim is patentably distinguishable over FocaLink. The rejected independent claims are 1, 7, 13, 16, 23, 29, 32, 42, 45 and 51-57.

In order for a claim to be anticipated under 35 U.S.C. § 102, a single prior art reference must disclose, either expressly or inherently, each and every element as set forth in the claim. M.P.E.P. § 2131.

Anticipation does not occur in the instant application, however, because none of the cited references disclose a system or method for selecting an advertiser node or advertising banner based upon information stored about the user node at the advertisement server node, as required by rejected independent claims 1, 7, 13, 16, 23, 29, 32, 42 ,and 45.

Additionally, none of the cited references disclose a system or method wherein the advertisement server node selects an advertiser node or advertising banner based on a number of